

Environmental Infrastructure Financing

A Program to Help You
Save Money



**Municipal Finance
And Construction**

**New Jersey Department of
Environmental Protection
Division of Water Quality**

NEW JERSEY ENVIRONMENTAL INFRASTRUCTURE FINANCING PROGRAM

The New Jersey Environmental Infrastructure Financing Program (EIFP) is a partnership between the New Jersey Department of Environmental Protection (DEP) and the New Jersey Environmental Infrastructure Trust. The Legislature created the program to offer local governments and private water purveyors low-cost financing for construction of wastewater and drinking water infrastructure, landfill construction and closure, and stormwater and nonpoint source pollution management projects. Nonpoint source projects may include open space acquisition and remedial action such as a brownfields cleanup that produces a water quality improvement.

FINANCING THROUGH THE EIFP

EIFP borrowers receive two loans.

1. **ZERO PERCENT interest loan from the NJDEP**
2. **MARKET RATE interest loan from the sale of the Trust's AAA rated tax-exempt bonds.**

Some projects will receive 75 percent of the total loan from the NJDEP and 25 percent from the Trust, making their loans only one-quarter of the market rate. Projects that will qualify for the 75/25 financing:

- Projects serving a designated Urban Center or Urban Complex
- Combined sewer overflow projects
- Open space land acquisition projects

All other projects will receive 50 percent of the total loan from DEP and 50 percent from the Trust, making their loans one-half of the market rate.

MUNICIPAL FINANCE AND CONSTRUCTION PROGRAM SUPPORT

We work with you from the project concept phase through start-up phase of your project. Services we provide include:

- Provide technical assistance to achieve planning and design requirements
- Helping you prepare and submit the financial application
- Processing pre-award approval to allow borrowers to expedite construction
- Coordinate with other regulatory programs to get your project moving
- Issuing treatment works approvals to ensure proper construction and operation of treatment facilities
- Providing construction oversight to ensure contract conformity

WHAT SOME PARTICIPANTS HAVE SAID

"The most attractive aspect of the program was the savings the Authority would realize in reduced interest. As you know, the Authority received an interest rate 50 percent below market due to the structure of the project and trust/fund program. We are please with this rate and the savings that are passed on to the users of the system."

- Henry J. Greenmeir, Executive Director
Logan Township MUA
Sewage Treatment Plant Upgrade
Project Cost \$2.92 Million

"Members of your staff assigned to New Brunswick were not only helpful and courteous in answering routine questions, but actually went out of their way to accommodate special problems and coordinate with other state agencies and departments."

- Thomas A. Weingartner, City Engineer
City of New Brunswick
CSO Separation
Sanitary and Storm Sewer Rehabilitation
Project Cost 9.82 Million

"As a participant in the refinancing, I can say that the process instituted was not burdensome and well worthwhile the effort. As you know, running local government is becoming more costly and any attempt to save tax dollars is appreciated."

- Joseph V. Cara, Township Administrator
Township of Berkeley Heights
Wastewater Treatment Upgrade
Project Cost 8.62 Million

WHAT IS ELIGIBLE FOR FUNDING?

- Remedial work
- Wastewater projects
- Landfill construction and closure
- Stormwater and nonpoint source pollution management projects, including street sweepers, skimmer boats, and netting on outfalls
- Open space acquisition and conservation
- Security such as fencing, lighting, motion detectors, and cameras
- Drinking water projects

ADVANTAGES OF BORROWING THROUGH THE EIFP

Lowest interest – Environmental infrastructure projects are eligible for loans at **one-quarter or one-half of the market rate**.

Reduced financing costs-Borrowers benefit from reduced costs due to the economies of scale of a pooled bond issue, bond insurance is rarely needed, interest may be capitalized and principal payments deferred during construction, and the debt service reserve fund is capitalized by the state.

Match to other funding programs-The amount available to project sponsors for EIFP loans is not limited and can be used to supplement grants and other loan programs.

HOW TO QUALIFY

October 1 of each year is the deadline for submitting a commitment letter and planning documents to qualify for a loan award in **November** of the following year.

Pre-award approval may be granted to allow applicants to proceed with an approved project prior to the loan award.

Short-term financing for approved work initiated before the loan award is also available through the EIFP.

CONTACT US FOR INFORMATION

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